

Introduction

In April of 2014, upward tendencies in the basic areas of the economy maintained. Sold production of industry grew at a pace similar to the one recorded in the two preceding months. A considerable growth in sold production was observed in construction, following a significant drop recorded a year before. The sales growth in transport services was slightly slower than in March of 2014. Retail sales grew faster than in the preceding months, which was influenced, among others, by calendar tendencies.

Financial results achieved in the 1st quarter of 2014 by the enterprises surveyed were better than in the corresponding period of the previous year. Investment activity of enterprises increased.

The growth rate in the prices of consumer goods and services, in annual terms, slowed down in April of 2014 to 0.3%, mainly due to a considerable weakening of the price dynamics of food and non-alcoholic beverages. A drop in producer prices in industry and construction maintained.

A growth in average monthly nominal gross wages and salaries in the enterprise sector, in annual terms, recorded in April of 2014 was slightly slower than in the preceding months. The growth pace in the purchasing power of wages and salaries was also weaker than in March of 2014. An increase continued in average nominal and real retirement pays and pensions both in the employee and in the farmers system, in annual terms.

On the labour market, a further gradual improvement of the difficult situation was observed. In April of 2014, the growth pace in the average employment in the enterprise sector, in annual terms, slightly strengthened. The number of persons registering in labour offices was lower than a year before while the number of persons removed from the registers was higher. The registered unemployment rate dropped to 13.0%. The preliminary results of the Labour Force Survey for the 1st quarter of 2014 indicate an increase in the number of employed persons and in the employment rate, as compared to the corresponding period of the previous year. The unemployment rate was lower than in the 1st quarter of the previous year; the relation of the number of not employed to employed persons improved.

Sold production of industry in April of 2014 grew, in annual terms, by 5.4% (after eliminating the seasonal factors – by 5.3%). A growth was observed in manufacturing and in water supply; sewerage, waste management and remediation activities, along with a drop in the sales in other industrial sections. The production of all kinds of goods was higher than in April of the previous year, with the highest growth in the group of intermediate goods. Construction and assembly production increased, in annual terms, by 12.2% (after eliminating the seasonal factors – by 13.3%). Retail sales were by 8.9% higher than in April of the previous year.

According to the surveys conducted in May of 2014, the general business tendency climate in manufacturing is assessed slightly less favourably than a month before. Current assessments have worsened; the forecasts of most categories surveyed are less optimistic (except for the foreign order-books and financial situation, in the case of which positive forecasts have maintained). The general business tendency climate in construction is assessed pessimistically,

similarly as in April of 2014. For the coming three months, entrepreneurs do not forecast any change in the financial situation. Forecasts concerning the domestic order-books are less positive than in April of 2014, with the continually favourable forecasts regarding production. Current assessments in these areas are negative, though better than a month before. Retail trade entities assess the general business tendency climate slightly less optimistically than in April of 2014, with their forecasts concerning the demand for goods and sales being positive, though more careful. Trade entities still perceive the current financial situation in a negative way, simultaneously forecasting its stabilisation in the coming three months.

Financial results of the non-financial enterprises surveyed improved in the 1st quarter of 2014, as compared to the corresponding period of the previous year. A considerable increase concerned, among others, gross and net financial results, following a drop recorded a year before. Sales profitability ratio as well as gross and net turnover profitability ratios improved, and so did the cost level indicator. Financial liquidity ratios were higher than a year before. The share of enterprises indicating a net profit in the total number of enterprises surveyed increased. The indicators achieved by exporters were better than in the 1st quarter of 2013, and more favourable than for entities in total. The outlays incurred by enterprises surveyed in total were in constant prices by 16.3% higher than a year before (against a drop of 1.6% in the 1st quarter of the previous year); with the growth considerably higher than average – as regards outlays on the purchase of means of transport.

On the agricultural market in April of 2014 a year-on-year drop in the procurement prices of most basic agricultural products was observed, except for milk and potato prices. As compared to the previous month, price drops concerned potatoes, poultry for slaughter and milk, while the prices of cereal and cattle and pigs for slaughter grew. The profitability of pigs fattening was still low, despite certain improvement. Preliminary results of the survey conducted at the end of March of 2014 indicate the first growth, in over three years, in the number of pigs, in annual terms.

In the 1st quarter of 2014, foreign trade turnover increased in annual terms, to a higher extent in exports than in imports. The balance of total trade was positive, against the negative one recorded in the preceding years. The value of trade with developed countries (including the EU countries) grew, while the value of trade with the Central and Eastern European countries dropped. In the period of January-February of 2014, the terms of trade index in total was more favourable than in the corresponding period of the previous year (103.9 against 100.5).

Following the four months of 2014 the revenues of the State Budget, reached the level of PLN 95.6 bn, and expenditures – of PLN 116.9 bn (i.e. respectively 34.4% and 35.9% of the amount assumed in the Budget Act for 2014). As a result, a deficit of PLN 21.3 bn was recorded, accounting for 44.8% of the plan.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

Specification a - 2013 b - 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
Paid employment in the enterprise sector¹												
in thous. persons a	5507	5497	5489	5478	5479	5488	5489	5494	5495	5500	5501	5491
b	5506	5508	5515	5515								
Registered unemployed persons (in thous. persons; end of period)..... a	2296	2337	2315	2256	2176	2109	2093	2083	2083	2075	2116	2158
b	2261	2256	2182	2079								
Unemployment rate (in %; end of period)..... a	14,2	14,4	14,3	14,0	13,6	13,2	13,1	13,0	13,0	13,0	13,2	13,4
b	14,0	13,9	13,5	13,0								
Average monthly nominal gross wage and salary in the enterprise sector¹ (in zł)..... a	3680,30	3709,99	3832,81	3830,89	3699,67	3808,63	3830,07	3760,45	3770,91	3834,17	3897,88	4221,50
b	3805,28	3856,56	4017,75	3976,80								
previous month=100 a	89,5	100,8	103,3	99,9	96,6	102,9	100,6	98,2	100,3	101,7	101,7	108,3
b	90,1	101,3	104,2	99,0								
corresponding month of previous year=100 a	100,4	104,0	101,6	103,0	102,3	101,4	103,5	102,0	103,6	103,1	103,1	102,7
b	103,4	104,0	104,8	103,8								
Average monthly real gross wage and salary in the enterprise sector¹												
corresponding month of previous year=100 a	98,7	102,8	100,6	102,2	101,8	101,1	102,4	100,9	102,6	102,3	102,5	102,1
b	103,0	103,3	104,2	103,5								
Average monthly real gross retirement pay and pension:												
from non-agricultural social security system												
corresponding month of previous year=100..... a	104,1	104,0	104,3	104,5	104,6	104,9	103,9	104,1	104,0	104,4	104,4	104,8
b	103,9	104,3	102,1	103,2								
of farmers												
corresponding month of previous year=100..... a	106,7	107,2	104,7	104,8	105,3	105,5	104,3	104,5	104,4	104,7	105,0	105,0
b	103,7	103,8	100,8	101,0								
Price indices of consumer goods and services:												
previous month=100 a	100,1	100,0	100,2	100,4	99,9	100,0	100,3	99,7	100,1	100,2	99,8	100,1
b	100,1	100,1	100,1	100,0								
corresponding month of previous year=100 a	101,7	101,3	101,0	100,8	100,5	100,2	101,1	101,1	101,0	100,8	100,6	100,7
b	100,5	100,7	100,7	100,3								
December of previous year=100 a	100,1	100,0	100,2	100,6	100,5	100,5	100,8	100,5	100,5	100,7	100,5	100,7
b	100,1	100,2	100,3	100,2								
Price indices of sold production of industry:												
previous month=100 a	100,0	100,3	99,7	99,3	100,1	100,7	100,2	99,7	100,1	99,3	99,7	99,9
b	100,0	99,9	99,8	99,9								
corresponding month of previous year=100 a	98,8	99,7	99,3	97,9	97,5	98,7	99,2	98,9	98,6	98,6	98,5	99,0
b	99,0	98,6	98,7	99,3								
Price indices of construction and assembly production:												
previous month=100 a	99,8	99,8	99,8	99,9	99,8	99,9	99,9	99,8	99,9	99,9	99,9	99,9
b	99,8	99,8	99,9	100,0								
corresponding month of previous year=100 a	98,6	98,4	98,2	98,1	98,0	98,0	98,1	98,1	98,2	98,2	98,3	98,3
b	98,3	98,4	98,5	98,5								

¹ Data concern economic entities employing more than 9 persons.

SELECTED INDICATORS REGARDING THE ECONOMIC SITUATION OF THE COUNTRY

(cont.)

Specification a - 2013 b - 2014	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	
Sold production of industry ¹ (constant prices ²):													
previous month=100	a	105,5	97,2	109,3	97,8	99,3	102,6	101,5	95,6	109,7	106,1	93,8	90,4
	b	103,0	98,2	109,4	97,7								
corresponding month of previous year=100	a	100,4	97,9	97,1	102,8	98,2	102,8	106,3	102,2	106,3	104,6	102,9	106,7
	b	104,2	105,3	105,5	105,4								
Construction and assembly production (constant prices ²):													
previous month=100	a	39,7	99,7	120,9	107,9	116,3	119,1	107,8	99,2	109,4	114,3	91,1	121,5
	b	36,0	118,7	124,2	103,2								
corresponding month of previous year=100	a	83,9	88,6	81,5	76,9	72,5	81,7	94,8	88,9	95,2	96,8	97,1	105,8
	b	96,1	114,4	117,4	112,2								
Dwellings completed (from the beginning of year)													
	a	14059	24999	37155	47771	57480	67962	80918	91380	102102	116540	129128	145136
	b	12187	23708	35669	46889								
Retail sales of commodities ¹ (constant prices ³):													
previous month=100	a	79,6	97,4	116,5	97,0	101,9	101,6	103,8	99,8	98,9	103,3	94,2	117,1
	b	78,7	99,5	112,5	102,3								
corresponding month of previous year=100	a	102,4	98,7	100,0	100,1	101,2	102,6	104,3	103,5	104,1	103,7	104,2	105,9
	b	104,8	107,0	103,3	108,9								
State budget balance - from the beginning of year (in mln zł)													
	a	-8440,9	-21684,6	-24452,7	-31717,0	-30951,2	-25873,7	-25949,6	-26811,1	-29643,4	-39481,2	-38569,1	-42191,7
	b	-2601,1	-11718,2	-17491,0	-21305,6								
Average exchange rates in zł - National Bank of Poland:													
100 USD	a	311,45	311,97	320,58	318,25	321,49	325,12	326,88	317,67	317,50	307,04	309,98	304,81
	b	306,50	306,13	303,78	302,93								
100 EUR	a	413,69	417,34	415,81	414,09	417,59	428,65	427,56	422,95	423,76	419,08	418,82	417,57
	b	417,76	417,86	419,72	418,41								
100 CHF	a	336,79	339,24	339,08	339,46	336,53	347,75	345,82	342,76	343,49	340,33	339,96	340,88
	b	339,35	342,05	344,71	343,17								
Foreign trade ⁴ in mln zł:													
exports	a	49767,0	50828,8	52506,1	54264,3	50413,9	53920,1	54992,4	51550,1	57728,4	60883,4	55228,0	46516,5
	b	55039,7	53121,6	56922,1	.								
imports	a	51523,7	50532,9	56141,0	52935,9	51698,1	52941,3	56042,9	51882,2	56732,2	61900,1	57356,5	48507,9
	b	54760,7	53266,0	55847,0	.								
balance	a	-1756,7	295,9	-3634,9	1328,4	-1284,2	978,8	-1050,5	-332,1	996,2	-1016,7	-2128,5	-1991,4
	b	279,0	-144,4	1075,1	.								

¹ Data concern economic entities employing more than 9 persons. ² The average current prices from 2010. ³ The current prices from the period preceding the surveyed period.

⁴ In 2013 preliminary data.